

in depth:

Kaizen Blitz in sage



KAIZEN BLITZ OF MMS INSTALLATION PROCESS FOR SAGE AND BUSINESS PARTNERS

From Possibility...

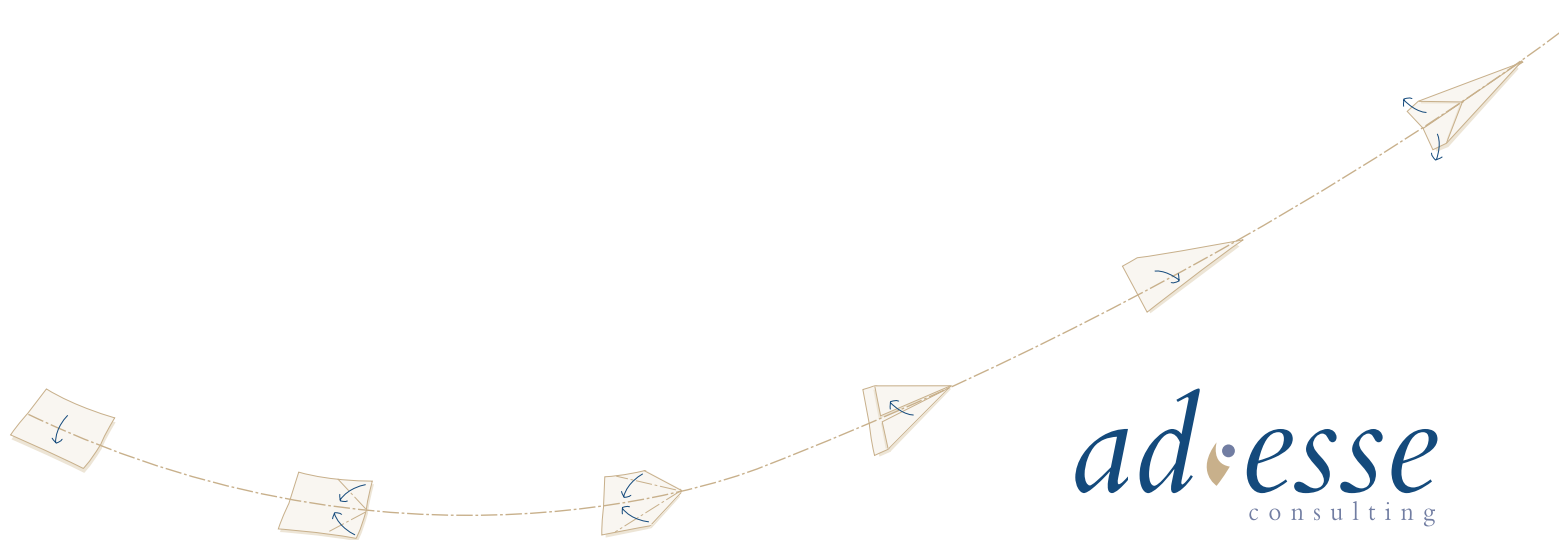
With its headquarters in Newcastle upon Tyne, Sage (UK) Limited is a subsidiary of The Sage Group plc, a leading supplier of business management software and services to 5 million customers worldwide. Its software products range from accounts, payroll, forecasting, and business intelligence to customer relationship management, e-business and simple help for business start-ups.

In the UK alone, Sage employs over 1600 people in R&D, Marketing and Product Support, but much of the sales and installation of its products is carried out by a network of business partners throughout the UK who provide the majority of its channels to market.

As with most leading companies, Sage continues to innovate and develop new software. As part of this innovation it developed Sage Mid Market Solution (MMS) aimed at organisations too small to purchase full scale expensive ERP software, but too large for the basic accounts and CRM packages currently in the market. Over the last couple of years Sage MMS has gone through a number of iterations with the latest release, version 3.5, being launched in April 2006. This new version is seen as a step change in the market with a couple of fundamental changes that have opened up the product to a much larger audience in the market place.

Sage realised that one of the constraints to maximising sales was not the number of potential customers, but the time it took their business partners to carry out a full MMS installation given the fixed capacity of the number of installations that partners could complete.

Sage approached Ad Esse to facilitate a project which would involve both Sage and some of their business partners with the aim of streamlining the installation process. Sage has already worked with Ad Esse consultants on a previous kaizen blitz focused in streamlining testing processes and so was keen to apply the blitz approach to the MMS installation process.



ad.esse
consulting

The Kaizen Blitz is a rapid improvement programme normally carried out as a series of workshops with a team of staff members facilitated by a consultant, either internal or external. The Blitz is usually designed to take people out of their normal work environment for a number of days to focus specifically and without interruption on a particular objective.

The overall objective of the Kaizen Blitz was to develop a revised process for the complete MMS installation process, so that the time required by partners for each installation was reduced, while maintaining and increasing customer satisfaction.

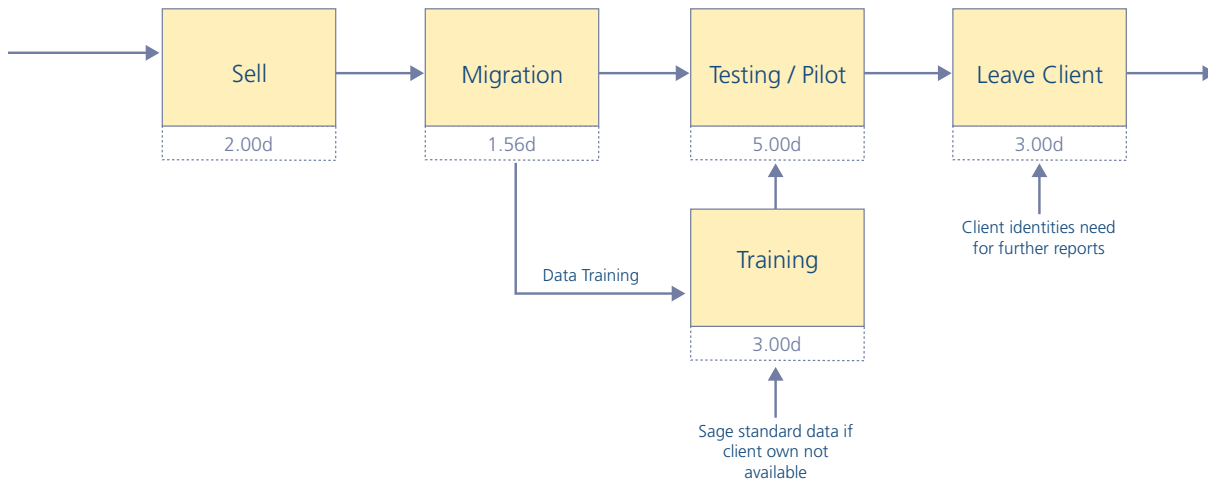
OUR APPROACH

In order to carry out this Blitz, the workshop team was drawn from both Sage and a number of business partners with the objective of reducing the time taken to carry out a complete installation. The team met for a total of five consecutive days facilitated by Ad Esse. **Briefly the Blitz consisted of:**

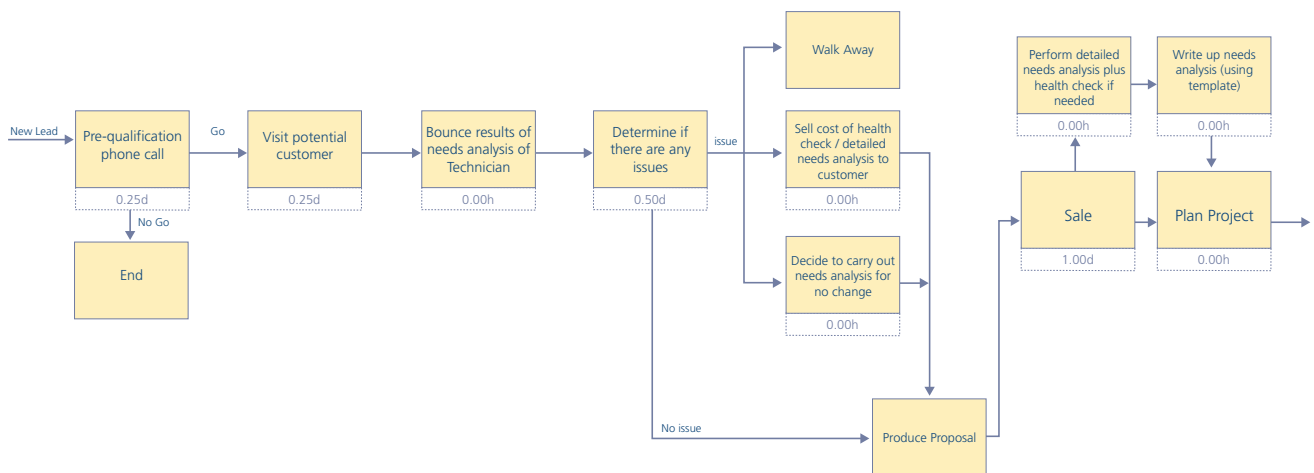
- Day 1:** A brief introduction to the Blitz process, process improvement techniques and agreement to the objectives of the Blitz. The team then mapped the current process in as much detail as possible. They also identified all issues and problems associated with the process and where possible isolated the root cause.
- Day 2:** Gather data on identified issues to enable further analysis. Brainstorm possible improvement possibilities and then group them. Develop a 'perfect' process and then define what the best realistic process by the end of the Blitz might be.
- Day 3:** Identification of all the actions required to bring about the improvements. Develop a revised process and identify the procedures and paperwork necessary to support the new procedures. All actions were listed with those leading to 'quick wins' highlighted for immediate investigation.
- Day 4:** All actions were ranked by the time needed to carry them out. The key was to focus on those that could be done by the team during the Blitz. The team worked in smaller sub-groups to develop the solutions in more detail.
- Day 5:** Continue working on Blitz team's actions for that week, define the end point for the week, prepare ongoing action plan with clear responsibilities and timings and feedback the results of the Blitz to Senior Managers.

Using the Blitz approach not only allowed the team to focus on the desired objective without interference from 'normal' operational requirements, it also allows a skills transfer process by which each of the team members developed their own process improvement skills and knowledge. The added benefit of the focused effort in the blitz is that the team members own the outcome to a much greater extent as they have invested significant personal time and energy to deliver it.

During the initial two days of the Blitz it was identified that an average installation was taking 13-15 days of which 8-10 were chargeable days. As already mentioned, the understanding of the process was developed through comprehensive mapping. The process map below shows the high level map for the initial state process, with the average time taken for the steps identified. The team members crossed checked the map and other data with colleagues not present at the blitz to make sure that the analysis was as accurate as possible.



Under each of the steps shown were more detailed maps like the one below. Producing the process map in greater detail, allowed the understanding of why problems occurred to emerge and so the solutions to these problems was more evident.



To Actuality....

With the initial days of the workshop spent identifying the current processes and issues it was important to bring all of the information together to allow possible solutions to be brainstormed. The 'as-is' process maps and data showed a number of issues including:

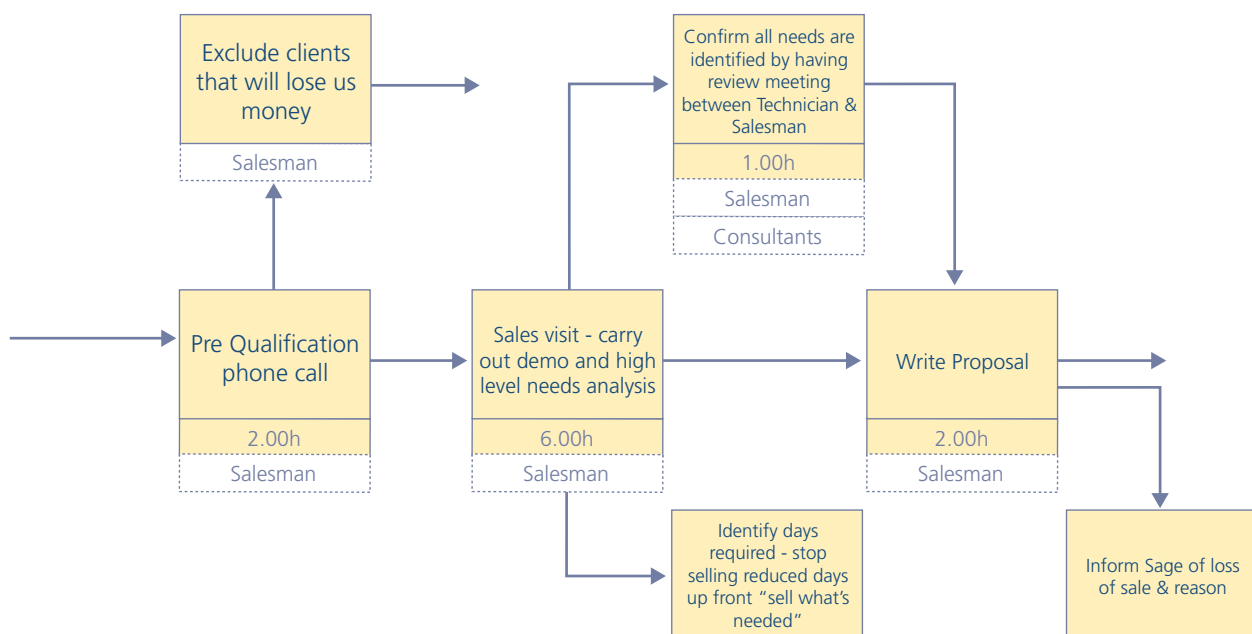
- n Poor specification of customer needs at start of sales process
- n High levels of non-chargeable time at the back end of the process
- n Some time spent on work that was not strictly necessary (training, etc)
- n Issues with flexibility of migration tools provided by Sage
- n Customisation of solutions due to a lack of automated tools
- n Technical consultants at the Sage partners having to revisit the customer after go-live to address issues not documented at the sales side of the process.

These provided a basis on which to develop a range of action plans, some of which could be carried out during the Blitz whilst others requiring longer term commitments of resource could be identified, ranked and built into a longer term action plan to be owned by the Product Manager.

The action that could be carried out during the week focused on aspects of the process that the team members could directly impact and that would have a significant benefit in reducing the number of days taken to install. **These included:**

- n Revising the detailed analysis of customer need during the sales process to identify issues early on in the installation process and ensuring that all sales staff used this document effectively. By the time this analysis process was completed it was seen to add so much value to the customer that it was felt that this could be charged for in most circumstances.
- n Revisions to the sales and implementation processes to incorporate new process elements and the emphasis on early identification of issues.
- n Checklists to ensure that implementations were structured and went smoothly.

The revised processes were then mapped to the same level of detail as the current processes. This allowed a clear understanding of changes that had been made and the impact on the overall process and time taken for an installation.



THE BENEFITS

The outputs from the Blitz included:

- n A revised process covering sales, installation and follow-up
- n Process elements that allowed an emphasis on detailed sales analysis and the prevention of non-chargeable work

The identified benefit of implementing these new processes was an estimated reduction in the time for average installation and follow-up from 13-15 days down to 9-10 days.

However the benefits from the process are not only in the form of numbers, they also include the transfer of skills to the members of the Blitz team who then take them back into the workplace to continue the process of improvement.

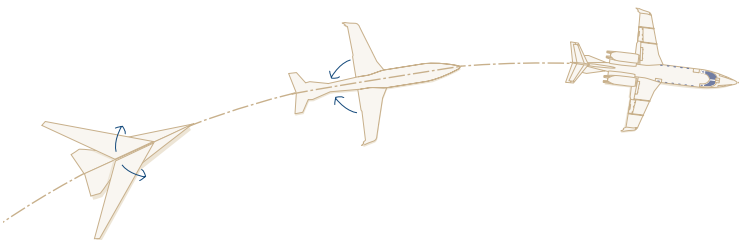
The Blitz also left an action plan of medium and longer term issues. The actions for these issues often had a significant requirement for resources and in a number of cases were technical updates requiring Sage's investment in the MMS product.

An initial follow up with the Business Partners involved, approximately four months following the Blitz, has shown that:

- n The Business Partners have implemented a number of the new system elements especially the use of a more detailed analysis during the sales process.
- n The revised process is highlighting implementation issues much earlier and allowing these to be solved.
- n So far, the number of days charged for a typical installation has not changed dramatically (so on the face of it, the blitz has not increased installation capacity), however, the number of non-chargeable days at the end of the process has decreased dramatically from the four to five days previously, to zero to one day now.

As the partners become more efficient with the revised process it is expected that a net benefit of increasing capacity (which will be of benefit to Sage and their partners) will occur. Couple this with the fact that the Kaizen provided Sage with a focused list of actions to increase the speed of customer migration, the future installation times could be reduced quite dramatically.

The next stage of the project is to roll out the process to all Sage MMS partners.



ad•esse
consulting

FURTHER INFORMATION

To receive regular case studies and articles like this one, you can subscribe to our newsletter 'Actuality'. Contact us at Ad Esse Consulting Ltd.

PHONE: +44 (0) 870 458 6162 EMAIL: seriousfun@ad-esse.com WEBSITE: www.ad-esse.com